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## V Year-End Closing- Prepare Nongovernmental Cost Fund Reports

This chapter describes the report requirements for nongovernmental cost funds. The State Administrative Manual (SAM) sections 13400 through 19464 describe the accounting and reporting requirements.

### RECLASSIFY ENCUMBRANCES REPORTED AS ACCOUNTS PAYABLE

Encumbrances that are ultimately for a nongovernmental cost fund or any bond fund are reclassified from General Ledger (GL) 3010 to the correct general ledger liability account (GLs 3110, 3210, 3220, 3290).

Refer to Chapter III, Year-End Closing – Fiscal Month 13 Processing, *Reclassify Encumbrance Reported as Accounts Payable* for detailed information about reclassifying encumbrances.

### NONGOVERNMENTAL YEAR-END FINANCIAL REPORTS

Several CALSTARS reports are used to prepare year-end financial reports for nongovernmental cost funds. Each fund must have a separate set of financial reports. This section describes the year-end financial reports and the specific CALSTARS reports for the most common types of nongovernmental cost funds. Departments should also review the *Year-End Financial Reports Training Manual (Budgetary/Legal Basis)* issued by the State Controller's Office (SCO) for additional instructions.

Chapter IV-A, Exhibit IV-A-1 lists the year-end financial reports for nongovernmental cost funds that must be submitted.

Departments should review reports using the *Manual Year-end Report Checklist* prior to submitting financial reports to SCO. The checklist is displayed in Chapter IV-A, Exhibit IV-A-25 or can be accessed on the Internet at [http://www.dof.ca.gov/Accounting/CALSTARS/User\\_Procedures/Checklist/](http://www.dof.ca.gov/Accounting/CALSTARS/User_Procedures/Checklist/).

Although all of the sample financial reports shown include the completed certification signature blocks, this is no longer required. Reports 13 and 14 still require a signature block. Instead, SCO requires that departments submit a certification letter listing all attached year-end reports for **each fund** as well as a signed statement certifying these reports as being true and correct. Exhibits V-1 and V-2 display examples of certification letters for a nongovernmental cost fund.

EXHIBIT V-1  
CERTIFICATION COVER MEMO FOR NONGOVERNMENTAL COST FUNDS

State of California

**M e m o r a n d u m**

Date : July 31, 2017

To : State Controller's Office  
Division of Accounting and Reporting  
3301 "C" Street, Suite 700  
Sacramento, CA 95816 B-8

From : Department of Air Quality (9990)  
102 North Street  
Sacramento, CA 95814  
I.M. King, Director, [IMKing@daq.ca.gov](mailto:IMKing@daq.ca.gov)  
U.R. Dunne, Chief of Accounting, [URDunne@daq.ca.gov](mailto:URDunne@daq.ca.gov)

Subject : CERTIFICATION OF YEAR-END FINANCIAL REPORTS

The following financial reports for the fiscal year end June 30, 2017, are enclosed:

**NONGOVERNMENTAL COST FUND (0698)**

<u>Report No.</u>	<u>Description</u>
3	Adjustments to Controller's Accounts
7	Pre-Closing Trial Balance
8	Post-Closing Trial Balance
9	Analysis of Change in Fund Balance
20	Statement of Financial Condition

**SPECIAL REPORTS**

<u>Report No.</u>	<u>Description</u>
14	Bank and/or Savings and Loan Association Accounts Outside the State Treasury (Submitted with the General Fund)
18	Statement of Changes in Capital Assets
19	Statement of Capital Assets (Submitted with the General Fund)
22	<i>Statement of Contingent Liability – No Activity to report</i>

**SUPPLEMENTAL FORMS**

Due To/From Other Funds/Appropriations Supplementary Information Form  
Material Variance Explanation Form

Contact Person: I. Ben Tryin  
Phone Number: (916) 555-1234  
E-mail: [IBTryin@daq.ca.gov](mailto:IBTryin@daq.ca.gov)

I certify (or declare) under penalty of perjury that the data on the attached reports is true and correct; and that I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with section 1090).

Subscribed and executed this 31<sup>st</sup> day of July, 2017, at Sacramento, California.

\_\_\_\_\_  
Signature of Officer/Name and Title of Officer

EXHIBIT V-2  
CERTIFICATION COVER MEMO FOR FEDERAL TRUST FUNDS

State of California

**M e m o r a n d u m**

Date : July 31, 2017  
To : State Controller's Office  
Division of Accounting and Reporting  
3301 "C" Street, Suite 700  
Sacramento, CA 95816 B-8  
From : Department of Air Quality (9990)  
102 North Street  
Sacramento, CA 95814  
I.M. King, Director, [IMKing@daq.ca.gov](mailto:IMKing@daq.ca.gov)  
U.R. Dunne, Chief of Accounting, [URDunne@daq.ca.gov](mailto:URDunne@daq.ca.gov)  
Subject : CERTIFICATION OF YEAR-END FINANCIAL REPORTS  
The following financial reports for the fiscal year end June 30, 2017, are enclosed:

**FEDERAL TRUST FUND (0890)**

<u>Report No.</u>	<u>Description</u>
3	Adjustments to Controller's Accounts
7	Pre-Closing Trial Balance
8	Post-Closing Trial Balance
9	Analysis of Change in Fund Balance
13	Report of Expenditures of Federal Funds
20	Statement of Financial Condition

**SPECIAL REPORTS**

<u>Report No.</u>	<u>Description</u>
14	Bank and/or Savings and Loan Association Accounts Outside the State Treasury (Submitted with the General Fund)
18	Statement of Changes in Capital Assets
19	Statement of Capital Assets (Submitted with the General Fund)
22	<i>Statement of Contingent Liability – No Activity to report</i>

**SUPPLEMENTAL FORMS**

Due To/From Other Funds/Appropriations Supplementary Information Form  
Material Variance Explanation Form

Contact Person: I. Ben Tryin  
Phone Number: (916) 555-1234  
E-mail: [IBTryin@daq.ca.gov](mailto:IBTryin@daq.ca.gov)

I certify (or declare) under penalty of perjury that the data on the attached reports is true and correct; and that I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090).

Subscribed and executed this 31<sup>st</sup> day of July, 2017 at Sacramento, California.

\_\_\_\_\_  
Signature of Officer/Name and Title of Officer

## PREPARATION OF REPORTS

Several of the reports required for nongovernmental cost funds are the same as the reports prepared for governmental cost funds. However, Report No. 3 differs slightly in preparation. Fiduciary reporting for federal trust funds and other trust and agency funds are discussed separately in this chapter.

The following reports are required for nongovernmental cost funds:

### **Report No. 3-Adjustment to Controller's Accounts.**

Report No. 3 is required if needed. Although Report No. 3 for nongovernmental cost funds uses the same format (Exhibits V-3 and V-4) as governmental cost funds, the content is somewhat different. Report No. 3 is required for nongovernmental cost funds only when one or more of the following accounts must be adjusted:

- |                        |  |
|------------------------|--|
| <b>GL 1140</b>         | - Cash in State Treasury must always agree with the June 30 SCO Cash in State Treasury Account. If an error is detected in CALSTARS, it must be corrected. If there is an error(s) in the SCO account, GL 1140, must be footnoted on the Report 7 Pre-Closing Trial Balance. The footnote must identify and explain the difference between the SCO balance and CALSTARS. In addition, a Report No. 3 must be submitted.  |
| <b>GL 1210</b>         | - Deposits in Surplus Money Investment Fund (SMIF) must always agree with the June 30 SCO Deposits in Surplus Money Investment Fund Account. If an error is detected in CALSTARS, it must be corrected. If there is an error(s) in the SCO account, GL 1210, must be footnoted on the Report 7 Pre-Closing Trial Balance. The footnote must identify and explain the difference between the SCO balance and CALSTARS. In addition, a Report No. 3 must be submitted. |
| <b>GL 1730.0512</b>    | - Prepayments to State Compensation Insurance Fund (from Category 96)  |
| <b>GL 1730.0666000</b> | - Prepayments to Service Revolving Fund (from Category 98)   |
| <b>GL 2120</b>         | - Advances to Other Funds (from Category 95)   |

Report No. 3 for nongovernmental cost funds is prepared when the department's account balances for the above GLs **do not agree** with the SCO's balances on June 30 due to an error on the SCO's records. Use Form 576A (see Exhibit V-3) to report adjustments. Form 576-B is not required. An explanation for each adjustment should be included with the completed form. Although the adjustment is an SCO error, the reported adjustment should be the amount necessary to bring the department's accounts into agreement with the SCO's June 30 balances. The total debits must equal total credits. The "contra" entry is normally GL 3110 "Due To Other Funds" or GL 1400 "Due From Other Funds".

**Report No. 7-Pre Closing Trial Balance**

G02 Report. Refer to the example in Exhibit V-5.

**NOTE:** SCO uses this report as a computer input document to record accruals for nongovernmental cost funds.

**Report No. 8-Post-Closing Trial Balance**

G02 Report. Refer to the example in Exhibit V-6. The G02 Report also includes the Subsidiaries on File. Refer to the example in Exhibit V-7.

**G01-General Ledger Trial Balance Report**

SCO requests departments with **shared** nongovernmental cost funds to submit a G01 Report (FM=PY, P=Y). Shared funds use General Ledger (GL) 5570, Fund Balance – Clearing Account. The SCO uses the G01 Report to help resolve problems when combining department reports to create the consolidated reports for the fund.

**Report No. 9-Analysis of Change in Fund Balance**

G04 Report. Refer to the example in Exhibit V-8.

Departments submit a Report No. 9, Analysis of Change in Fund Balance, when they account for a nongovernmental cost fund in its entirety (nonshared) which includes the Federal Trust Fund or the Special Deposit Fund.

A non-shared fund uses **GL 5530**-Fund Balance-Unappropriated, or **GL 5540**-Retained Earnings for proprietary funds (GAAP Indicator of **E** or **I** on the Statewide D22 Fund Descriptor Table).

Report No. 9 is also known as the Statement of Operations. The report displays the beginning fund balance, additions (e.g. revenues), deductions (e.g. expenditures), and the ending fund balance. The beginning fund balance on the Report No. 9 must equal the ending fund balance from the previous year's Report No. 9. Any discrepancies must be footnoted with an explanation of the changes made subsequent to submission of the previous year-end financial reports. Adjustments entered with Transaction Codes (TCs) 581 and 582 will be automatically footnoted on Report No. 9. For more details on this report, refer to Volume 6, Chapter III-G, Exhibit III-G04, Analysis of Change in Fund Balance, for an example of Report No. 9 with automated footnotes.

**Report No. 18-Statement of Changes in Capital Assets**

G05 Report ordered at fund detail (F=2) level. Refer to the example in Exhibit V-10.

If applicable, departments submit a Report 18 for nongovernmental cost funds using the Capital Assets Group of Accounts (GLs 2310-2499) in Fund 0997. This report shows the beginning balance, additions, deletions and resulting ending balance for each of the capital asset accounts. Report No. 18 should be submitted with the financial reports for each fund that has investments in capital assets.

The CALSTARS Transaction Codes 490, 491, and 493 is used to record intangible assets acquired in or after July 2009.

The CALSTARS Transaction Codes 601 and 602 will be used to record **retroactive** intangible assets and other adjustments. These transaction codes will adjust the beginning balance column in Report 18.

The following accounting events are examples of the CALSTARS Transaction Codes used for recording retroactive and reclassifying intangible assets.

**Recording a *retroactive* intangible assets**

TC 601 – Load Debit Balance GLA

Dr. 24nn Intangible Assets (nn= Refer to Uniform Codes Manual)  
Cr. 9998 Start of System Clearing Account

TC 602 – Load Credit Balance GLA

Dr. 9998 Start of System Clearing Account  
Cr. 5200 Investment in Capital Assets

**Recording a *reclassification* of an intangible asset**

TC 602 – Load Credit Balance GLA

Dr. 9998 Start of System Clearing Account  
Cr. 2400 Intangible Asset

TC 601 – Load Debit Balance GLA

Dr. 24nn Intangible Assets (nn= Refer to Uniform Codes Manual)  
Cr. 9998 Start of System Clearing Account

**NOTE:** If there are no capital assets for a fund, it should be noted in the certification letter for Report No. 18.

**Report No. 20-Statement of Financial Condition**

G04 Report. Refer to the example in Exhibit V-11.

Departments submit a Report No. 20, Statement of Financial Condition, when they account for a nongovernmental cost fund in its entirety (nonshared) or for an account within a nongovernmental cost fund in its entirety, such as, the Federal Trust Fund or the Special Deposit Fund. Report No. 20, Statement of Financial Condition, provides the balances of the assets, liabilities, and fund equity as of June 30.

## REVISIONS TO REPORTS

After submitting year-end reports to the SCO, departments must report any material differences relating to prior year accruals. Departments should immediately contact SCO to see what is required. Typically, SCO will require revised Report No. 7, and Report No. 8, but the SCO may only require forms 571E and 571F, Revisions to Accruals and Adjustments to Controller's Accounts, to be prepared. Revisions are due to the SCO by September 15th.

Instructions for completing the Form 571E and 571F may be found in Volume 7, Chapter IV-A, *Revisions To Reports* section.

## PREPARING REPORTS FOR TRUST AND AGENCY FUNDS - FEDERAL

Trust and agency funds-Federal are classified as fiduciary funds. Accounting and reporting requirements are found in SAM sections 17100-17400. Expenditure and income accruals are prepared in the same manner as governmental cost funds or proprietary funds.

### Report Requirements for the Federal Trust Fund

The following year-end reports are required for the Federal Trust Fund (Fund 0890):

#### **Report No. 3-Adjustment to Controller's Accounts**

Report No. 3 (Form 576-A) is required if needed. Refer to the example in Exhibits V-3 and V-4. For more information, refer to section *Preparation of Reports, Report No. 3*, at the beginning of this chapter.

#### **Report No. 7-Pre Closing Trial Balance**

G02 Report. Refer to the example in Exhibit V-5.

GL 1140-Cash in State Treasury must always agree with the June 30 SCO Cash in State Treasury Account. If an error is detected in CALSTARS, it must be corrected. If there is an error(s) in the SCO account, GL 1140, must be footnoted on the Pre-Closing Trial Balance. The footnote must identify and explain the difference between the SCO balance and CALSTARS. In addition, a Report No. 3 must be submitted.

#### **Report No. 8-Post-Closing Trial Balance**

G02 Report. Refer to the example in Exhibit V-6. The G02 Report also includes the Subsidiaries on File. Refer to the example in Exhibit V-7.

**NOTE:** Fund may have Transfers-In/Out (GL 9811/9812) activity along with other nominal accounts. GL 5530, Fund Balance-Unappropriated must be zero.

**Report No. 9-Analysis of Change in Fund Balance**

G04 Report. Refer to the example in Exhibit V-8.

**NOTE:** SCO requires this report to show the “Fund Balance” total as zero at year-end. See the special section in this chapter entitled “Report 9 – Fund Balance Adjustment” illustrating the accrual process to comply with this requirement.

**Report No. 13-Report of Expenditures of Federal Funds**

Report No. 13 is required to be submitted to Department of Finance-Fiscal Systems and Consulting Unit (FSCU) with a copy to the SCO with other year-end reports. Expenditures shall include accruals of all valid obligations incurred and receivables earned as of June 30, with the exception of payments to sub-recipients which must be recorded on a cash basis. Circular A-133 defines a sub recipients as a non-federal entity that expends federal awards received from a pass-through entity to carry out a federal program, but does not include an individual that is a beneficiary of such a program. See SAM section 7974.

In CALSTARS, Report No. 13 is produced by the **Q34**, Report of Expenditures of Federal Funds.

The only available reporting period option for the Q34 Report is **PY**. The report is available only from July 1 until the department sets the OC Table Run YEC Indicator to **C**.

When requesting the Q34 Report, there are two options available within the F level of detail field (IPOF) on the Report Selection Options screen (Command **G.3**):

**Option 1** (IPOF) 0,0,0,0 - Will populate with information from the Catalog of Federal Domestic Assistance (CFDA) Descriptor Table (D39). This report is used as the Report of Expenditures of Federal Funds (year-end Report No. 13).

**Option 2** (IPOF) 0,0,0,1 - Will populate with information (CFDA, SCO projects, and project-work phase) from the Project Control Table. Will provide a sub-total for each change of program and does not have a certification page. This report is used for the agency’s records.

Refer to the examples of Q34 (both options 1 and 2)) in Exhibit V-9.

The certification statement on the Q34 Report must be signed when submitted to Department of Finance – FSCU. The Q34 Report displays the total budgetary expenditures in support of the amount displayed on Report No. 7, Pre-Closing Trial Balance (part of the G02 Report). The Q34 Report uses the title of each project from the D40-Federal Catalog Table and displays direct program costs, department administrative cost recoveries (Object Detail **421-427**) and the Statewide Indirect Cost recoveries (Object Detail **439**).

Departments should review their Project Control Tables listing (CSB950-2) for federal funds to assure the Q34 Report is accurate.



The following checks should be made on Report No. 13:

- ✧ See State Administrative Manual section 7974.
- ✧ The expenditures reported are for funds (special revenue) received directly from the federal government, which are deposited in the Federal Trust Fund or appropriate federal agency trust fund.
- ✧ The expenditures reported are for funds (special revenue) received directly from the Federal Government, which are deposited in the Federal Trust Fund **upon receipt** of the reporting department.
- ✧ The expenditures reported are for the state fiscal year (not the federal budget year).
- ✧ The grand total of expenditures for this report equals GL 9000-Expenditures on the Pre-Closing Trial Balance for the Federal Trust Fund.

**Report No. 18-Statement of Changes in Capital Assets (if applicable)**

G05 Report ordered at fund detail (F=2) level. Refer to the example in Exhibit V-10.

**Report No. 20-Statement of Financial Condition**

G04 Report. Refer to the example in Exhibit V-11

**Excess Revenue Collections From Other Governments**

Occasionally there is an excess collection of revenue from the federal government. If the excess collection is returned after June 30, an accrual entry reducing revenue must be made:

TC 552-Accrue YE Due to Other Govt (Excess Collections)  
    Dr. 8000 Revenue  
    Cr. Input GL 3210

The excess collection entries are reversed in the new year. Auto-reverse batches are recommended.

**NOTE:** The liability accrual (GLs 3210) is not included on the DB1 Report. For reconciliation purposes, the amount of the TC 552 entry must be added to the SCO account balances.

EXHIBIT V-3  
REPORT NO. 3 ADJUSTMENT TO CONTROLLER'S ACCOUNTS

REPORT NO. 3 Form 576 A (Rev. 3/10)				<h2 style="margin: 0;">Adjustments to Controller's Accounts</h2> <p style="margin: 0;">June 30, 2017</p>		Page <u>1</u> of <u>1</u>	
SCO USE ONLY							
Document No.	C C Y Y M M D D	Fund	Agency	<div style="border: 1px solid black; border-radius: 50%; width: 30px; height: 30px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">1</div>			
<b>B</b>							
Agency Name and Number <b>DEPARTMENT OF AIR QUALITY (9990)</b>				Fund Name and Number <b>FEDERAL TRUST FUND (0890)</b>			
Name of Contact Person, Title <b>U.R. Dunne, Accounting Administrator</b>				Telephone Number <b>445-0000</b>		Email Address <b><u>URDunne@daq.ca.gov</u></b>	
<b>ACCOUNT TITLE</b>				<b>ACCOUNT</b>		<b>AMOUNT</b>	<b>D C</b>
DUE FROM OTHER FUNDS <span style="float: right;">1</span>				*1410	0001	2,963.00	D
DUE FROM OTHER APPROPRIATIONS				1420			
DUE TO OTHER FUNDS				*3114			
DUE TO OTHER APPROPRIATIONS <span style="float: right;">1</span>				3115			
CASH IN STATE TREASURY				1140		2,963.00	C
Net Credits/Debits						—	

ORIGINAL - State Controller's Office, Division of Accounting and Reporting

\*Specify the funds to which this pertains

1 Number refers to supporting documentation.

EXHIBIT V-4  
REPORT NO. 3 CORRESPONDING TRANSACTIONS REPORT  
OFFICE OF THE STATE CONTROLLER  
**TRANSACTION REQUEST**

NO.	C C C C M M D D	Code
JE		

Code	VERIFIED BY:
	DATE:

1

PAGE 1 OF 1

Agency:	Address:	Agency Document Number:
DEPARTMENT OF AIR QUALITY (9990)	102 North Street, Sacramento, CA 95814	16-098

																	D	S/O USE				SOURCE
FUND	AGY	FY	M	REF / ITEM	FED CAT	P/N	C	CAT	PGM	ELE	COMP	TASK	ACCT	S/O USE	REV / OBJ	AMOUNT	C	A	T	O	B	FUND
0001000	9990	2016		001					10							2,963.00	D	D				
DESCRIPTION					(DNKP) CHAPTER NUMBER/YEAR/ITEM					PROGRAM DESCRIPTION												
Correction TR Req 16-095					Chapter 23/16, Item 9990001-0001					AIR QUALITY STANDARD												
0890000	9990	2016		001					10							2,963.00	C	D				
DESCRIPTION					(DNKP) CHAPTER NUMBER/YEAR/ITEM					PROGRAM DESCRIPTION												
Correction TR Req 16-095					Chapter 23/16, Item 9990001-0890					AIR QUALITY STANDARD												
DESCRIPTION					(DNKP) CHAPTER NUMBER/YEAR/ITEM					PROGRAM DESCRIPTION												
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DESCRIPTION					(DNKP) CHAPTER NUMBER/YEAR/ITEM					PROGRAM DESCRIPTION												

TYPE OF TRANSACTION:	Correction to Transaction Request 16-095	I hereby certify under penalty of perjury that I am the duly appointed, qualified, and acting officer of the herein named State agency, department, board, commission, office or institution; that the within transfer is in all respects true, correct, and in	
LEGAL AUTHORITY AND REASON FOR REQUEST:			
Transaction Request No. 16-095, Dated 6/16/17, was written incorrectly with a credit to the General Fund. It should have been a credit to the Federal Trust Fund.		AUTHORIZED SIGNATURE: <i>U.R. Dunne</i>	
		CONTACT PERSON: <b>U. R. Dunne, Accounting Administrator</b>	PHONE FOR CONTACT: <b>445-0000</b>
		E-MAIL FOR CONTACT: <a href="mailto:URDunne@dqa.ca.gov">URDunne@dqa.ca.gov</a>	DATE: <b>7/5/2017</b>

NOT TO BE USED AS A CONTROLLER'S REMITTANCE ADVICE

CA 504 PC VERSION (03/2006)

1 Number refers to Report 3, Form 571 A.

## EXHIBIT V-5

CSTARG02 9990 (DEST: A1 CTL1) PY, ,0,0,0,1, , , , / , , , / \*\*\*\*\* RUN:07/31/17 TIME:17.45  
PRIOR FISCAL YEAR: 2016 0(ORG )\*\*\*\*\* 1(FUND ) FUND(ALL )\*\*\*\*\*

\*\*\*\*\* PAGE 1

FUND: : 0890 FEDERAL TRUST FUND

\*\*\*\*\*

GLAN	ACCOUNT TITLE	DEBITS	CREDITS	GLAN
1140	CASH IN STATE TREASURY	1,612,907.42	0.00	1140
1319	ACCOUNTS RECEIVABLE OTHER	554,196.00	0.00	1319
1380	CONTINGENT RECEIVABLES	302,331.00	0.00	1380
1400	DUE FROM OTHER FUNDS OR APPROPRIATIONS	18,586.49	0.00	1400
1500	DUE FROM OTHER GOVERNMENTS	21,572,471.57	0.00	1500
1600	PROVISION FOR DEFERRED RECEIVABLES	0.00	856,527.00	1600
3010	ACCOUNTS PAYABLE	0.00	20,401,366.31	3010
3020	CLAIMS FILED	0.00	1,665,550.69	3020
3110	DUE TO OTHER FUNDS OR APPROPRIATIONS	0.00	580,048.48	3110
3220	DUE TO LOCAL GOVERNMENT	0.00	557,000.00	3220
8000	REVENUE/OPERATING REVENUE	0.00	194,996,057.00	8000
9000	APPRO EXPEND/OPERATING EXPEND & EXPENSES	194,996,057.00	0.00	9000
*TOTAL FUND	0890	219,056,549.48	219,056,549.48	

REPORT AS OF JUNE 30 INCLUDES YEAR-END ACCRUALS PURSUANT TO STATE ADMINISTRATIVE MANUAL INSTRUCTIONS.  
I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT AND THAT I HAVE NOT VIOLATED ANY OF THE  
PROVISIONS OF ARTICLE 4, CHAPTER 1, DIVISION 4, TITLE 1, GOVERNMENT CODE (COMMENCING WITH SECTION 1090).  
SUBSCRIBED AND EXECUTED THIS 31st DAY OF July, 2017 AT SACRAMENTO, CALIFORNIA.

U. R. Dunne  
SIGNATURE OF OFFICER

U. R. DUNNE  
TYPE OR PRINT NAME OF OFFICER

ACCOUNTING ADMINISTRATOR  
TITLE OF OFFICER

1) Difference of \$2,963.00- See Report 3 Transaction Request #1

## EXHIBIT V-6

\*\*\*\*\* RUN:07/31/17 TIME:17.45

(REPORT 8)

PAGE 10

SUBSIDIARY FILE

U. R. Dunne

ACCOUNTING ADMINISTRATOR  
TITLE OF OFFICER

## EXHIBIT V-7

\*\*\*\*\* RUN:07/31/17 TIME:17.45

DEPARTMENT OF AIR QUALITY

AS OF 06/30/17

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FUND: : 0890 FEDERAL TRUST FUND

GLAN	ACCOUNT TITLE
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	SUBSIDIARY	SUBSIDIARY TITLE	DEBITS	CREDITS
	-----	-----	-----	-----
1400	DUE FROM OTHER FUNDS OR APPROPRIATIONS			
	00010000 DUE TO GENERAL FUND		18,586.49	0.00
	TOTAL ACCOUNT	1400	18,586.49	0.00
1500	DUE FROM OTHER GOVERNMENTS			
	15100000 DUE FROM THE FEDERAL GOVERNMENT		20,589,627.57	0.00
	15900000 DUE FROM THE OTHER GOVERNMENTS		982,844.00	0.00
	TOTAL ACCOUNT	1500	21,572,471.57	0.00
1600**	PROVISION FROM DEFERRED RECEIVABLES			
	01319000 A/R OTHER		0.00	554,196.00
	01380000 CONTINGENT RECEIVABLES		0.00	302,331.00
** 0	(ZERO) IS DISPLAYED PRECEDING SUBSIDIARY CODES FOR THIS GLA TO ACCOMMODATE STATE CONTROLLERS OFFICE NEEDS			
	TOTAL ACCOUNT	1600	0.00	856,527.00
3110	PROVISION FROM DEFERRED RECEIVABLES			
	00010000 DUE TO GENERAL FUND		0.00	516,931.84
	00440000 DUE TO MOTOR VEHICLE ACCT		0.00	37,107.04
	06660000 DUE TO SERVICE REV. FUND		0.00	25,600.00
	06780000 DUE TO PIA REVOLVING FUND		0.00	409.60
	TOTAL ACCOUNT	3110	0.00	580,048.48
	TOTAL FUND	0890	21,591,058.06	1,436,575.48

REPORT AS OF JUNE 30 INCLUDES YEAR-END ACCRUALS PURSUANT TO STATE ADMINISTRATIVE MANUAL INSTRUCTIONS.  
I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT AND THAT I HAVE NOT VIOLATED ANY OF THE  
PROVISIONS OF ARTICLE 4, CHAPTER 1, DIVISION 4, TITLE 1, GOVERNMENT CODE (COMMENCING WITH SECTION 1090). SUBSCRIBED AND EXECUTED  
THIS 31st DAY OF July, 2017 AT SACRAMENTO, CALIFORNIA.

U. R. Dunne  
SIGNATURE OF OFFICER

U. R. DUNNE  
TYPE OR PRINT NAME OF OFFICER

ACCOUNTING ADMINISTRATOR  
TITLE OF OFFICER

EXHIBIT V-8  
REPORT NO. 9 ANALYSIS OF CHANGE IN FUND BALANCE-FEDERAL FUNDS

CSTARG04 9990 (DEST: A1 CTL1) PY, ,0,0,0,1, , , , , \*\*\*\*\* RUN:07/31/17 TIME:17.45  
PRIOR FISCAL YEAR: 2016 0(ORG )\*\*\*\*\* 2(BYFDT ) FUND(ALL )\*\*\*\*\*

DEPARTMENT OF AIR QUALITY  
ANALYSIS OF CHANGE IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED 06/30/17

REPORT 9

\*\*\*\*\* PAGE 56

FUND : 0890 FEDERAL TRUST FUND

FUND BALANCE,	JULY 1, 2016	0.00
---------------	--------------	------

ADDITIONS:

8000	REVENUE/OPERATING REVENUE	194,996,057.00
------	---------------------------	----------------

TOTAL ADDITIONS	194 996,057.00
-----------------	----------------

DEDUCTIONS :

9000	OPERATING EXPENDITURES	194,996,057.00
------	------------------------	----------------

TOTAL DEDUCTIONS	194,996,057.00
------------------	----------------

FUND BALANCE,	JUNE 30, 2017	0.00
---------------	---------------	------

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT AND THAT I HAVE NOT VIOLATED ANY OF THE PROVISIONS OF ARTICLE 4, CHAPTER 1, DIVISION 4, TITLE 1, GOVERNMENT CODE (COMMENCING WITH SECTION 1090).  
SUBSCRIBED AND EXECUTED THIS 31st DAY OF July, 2017 AT SACRAMENTO, CALIFORNIA.

U. R. Dunne  
U. R. DUNNE  
ACCOUNTING ADMINISTRATOR

REPORT AS OF JUNE 30 INCLUDES YEAR-END ACCRUALS PURSUANT  
TO STATE ADMINISTRATIVE MANUAL INSTRUCTIONS.

## EXHIBIT V-9

```
CSTARQ34 3900 (DEST: AA SPEC) PY, ,0,0,0,0, , , , , , ***** RUN:07/29/17 TIME:06.00
PRIOR FISCAL YEAR: 2016 ***** 0 (NOFUND) *****
```

DEPARTMENT OF AIR QUALITY  
REPORT OF EXPENDITURES OF FEDERAL FUNDS  
AS OF 06/30/17

REPORT NUMBER 13

AS OF 06/30/17

PAGE 1

FUND: 0890 FEDERAL TRUST FUND

\*\*\*\*\*

CFDA	DESCRIPTION	EXPENDITURES	ENCUMBRANCES	TOTAL
.		5,039,180.89-	0.00	5,039,180.89-
66.001	AIR POLLUTION CONTROL PROGRAM SUPPORT	189,401,018.52	852,062.62	190,253,081.14
66.034	SURVEYS, STUDIES, RESEARCH, INVESTIGATIONS, DEMONS	586,827.29	192,710.62	779,537.91
66.039	NATIONAL CLEAN DIESEL EMISSIONS REDUCTION PROGRAM	3,896,904.00	4,552,773.84	8,449,677.84
66.606	NO TITLE ON TABLE	0.00	200,000.00	200,000.00
66.040	STATE CLEAN DIESEL GRANT PROGRAM	352,941.00	0.00	352,941.00
*TOTAL FUND 0890		189,198,509.92	5,797,547.08	194,996,057.08
*TOTAL FUND 0890		189,198,509.92	5,797,547.08	194,996,057.08
*TOTAL FEDERAL FUNDS		189,198,509.92	5,797,547.08	194,996,057.08

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT AND THAT I HAVE NOT VIOLATED ANY OF THE PROVISIONS OF ARTICLE 4, CHAPTER 1 DIVISION 4, TITLE 1, GOVERNMENT CODE (COMMENCING WITH SECTION 1090).  
SUBSCRIBED AND EXECUTED THIS 31<sup>ST</sup> DAY OF JULY, 2017 AT SACRAMENTO, CALIFORNIA.

U. R. Dunne  
SIGNATURE OF OFFICER

U. R. Dunne  
NAME OF OFFICER

ACCOUNTING ADMINISTRATOR I  
TITLE OF OFFICER



REPORT NO. 13 REPORT OF EXPENDITURES OF FEDERAL FUNDS (version to order for agency's records that includes Proj/WP)

```
CSTARQ34 3900 (DEST: AA SPEC) PY, ,0,0,0,1, ***** RUN:07/29/17 TIME:06.00
PRIOR FISCAL YEAR: 2016 ***** 1(FUND )*****
```

DEPARTMENT OF AIR QUALITY  
REPORT OF EXPENDITURES OF FEDERAL FUNDS  
AS OF 06/30/17

\*\*\*\*\* PAGE 1

FUND: 0890 FEDERAL TRUST FUND

\*\*\*\*\*

CFDA	PRJ	PROJ-WP	FFY	DESCRIPTION	EXPENDITURES	ENCUMBRANCES	TOTAL
.		000000 00	2012		3,017,393.94-	0.00	3,017,393.94-
.		000000 00	2013		2,021,786.95-	0.00	2,021,786.95-
* .					5,039,180.89-	0.00	5,039,180.89-
66.001	011	466001 12	2012	AIR POLLUTION CONTROL	2,273,579.63	900,731.57-	1,372,848.06
66.001	011	466001 12	2012	AIR POLLUTION CONTROL	3,161,354.19	133,470.01-	3,027,884.18
66.001	011	466001 13	2013	AIR POLLUTION CONTROL	110,021,430.22	449,987.70-	109,571,442.52
66.001	011	466001 14	2014	AIR POLLUTION CONTROL	211,753.00	0.00	2,211,753.00
66.001	011	466105 14	2014	AIR POLUTION CNTL PGM GRANTS-SECT	71,732,901.48	2,336,251.90	74,069,153.38
*66.001					189,401,018.52	852,062.62	190,253,081.14
66.034	011	466989 3	2013	PM 2.5 NETWORK MONITORING NON-ARR	586,827.29	0.00	586,827.29
66.034	011	466989 4	2014	PM 2.5 NETWORK MONITORING NON-ARR	0.00	192,710.62	192,710.62
*66.034					586,827.29	192,710.62	779,537.91
66.039	011	466372 14	2014	NATL CLEAN DIESEL EMISS RED DERA-	0.00	3,379,790.84	3,379,790.84
66.039	021	466834 14	2014	NATL CLN DIESEL EMISS.RED.PG-CATE	0.00	1,172,983.00	1,172,983.00
66.039	601	466039 14	2014	CLEAN DIESEL ASST PG-ARRA-RAILROA	3,838,536.00	0.00	3,838,536.00
66.039	611	466283 14	2014	NATL CLEAN DIESEL -SMARTWAY LOAN-	58,368.00	0.00	58,368.00
*66.039					3,896,904.00	4,552,773.84	8,449,677.84
66.040	601	466040 12	2012	CLEAN DIESEL GRANT PG. -DERRA-ARR	352,941.00	352,941.00-	0.00
66.040	611	466501 13	2013	DIESEL EMISSION RED.ACT (DERA)-AR	0.00	352,941.00	352,941.00
*66.040					352,941.00	0.00	352,941.00
66.606	011	466979 13	2013	CENTRAL CALIFORNIA OZONE STUDY	0.00	200,000.00	200,000.00
*66.606					0.00	200,000.00	200,000.00
*TOTAL FUND 0890					189,198,509.92	5,797,547.08	194,996,057.00
*TOTAL FEDERAL FUNDS					189,198,509.92	5,797,547.08	194,996,057.00

[illegible]

FUND: 0997 CALSTARS CAPITAL ASSETS ACCOUNT GROUP REPORT

FUND DETAIL: 06 FUND 0890-FEDERAL TRUST FUND

U. R. DUNNE  
ACCOUNTING ADMINISTRATOR

[illegible]

ASSETS	
CASH:	
1140	CASH IN STATE TREASURY
	1,612,907.42
ACCOUNTS RECEIVABLE:	
1319	ACCOUNTS RECEIVABLE OTHER
	554,196.00
1380	CONTINGENT RECEIVABLES
	302,331.00
1400	DUE FROM OTHER FUNDS OR APPROPRIATIONS
	18,586.49
1500	DUE FROM OTHER GOVERNMENTS
	21,572,471.57
1600	PROVISION FOR DEFERRED RECEIVABLES
	856,527.00CR

LIABILITIES AND FUND EQUITY

3010	ACCOUNTS PAYABLE	20,401,366.31
3020	CLAIMS FILED	1,665,550.69
3110	DUE TO OTHER FUNDS OR APPROPRIATIONS	580,048.48
3220	DUE TO LOCAL GOVERNMENTS	557,000.00

TOTAL LIABILITIES	23,203,965.48
TOTAL FUND EQUITY	23,203,965.48
TOTAL LIABILITIES AND FUND EQUITY	23,203,965.48



## Report 9 - Fund Balance Adjustments

Before a department is able to submit year-end reports on the Federal Trust Fund, SCO requires reports show that federal revenues and reimbursements match expenditures. Expenditures may include accruals at year-end. Therefore, it is required for a department that receives federal funds to record a revenue accrual to match those expenditures.

**NOTE:** This procedure should be one of the last steps in preparation of financial reports for the Federal Trust Fund and **only** after FM 13 accruals, adjustments and cost allocation have been completed.

### INSTRUCTIONS FOR ADJUSTING THE FUND BALANCE ON REPORT 9:

Exhibits V-12 and V-13 are examples of a Report 7 and 9 illustrating the balances **before** an accrual for federal revenue is recorded.

**NOTE:** Although it is rare that reimbursements are included in federal funds, there are cases where they do exist. For that purpose, we have included them in these Exhibits. Reimbursements are also calculated when determining how much federal revenue will need to be accrued.

1. Order a G02 (Report 7 and 8) and a G04 (Report 9) for the Federal Trust Fund only.
2. On the G04 Report, determine how much revenue will need to be accrued by the **fund balance** total.

**NOTE:** Prior to recording the revenue accrual, the fund balance total should always show a debit balance (DR).

3. On the G02 Report (Report 7), make the following calculations:

$$GLAN\ 9000 - (GLAN\ 8000 + 8100) = \text{Accrual Amount}$$

4. Compare this calculation to the G04 (Report 9) fund balance total to confirm they equal.

5. Record an A-9 (revenue accrual) transaction for each federal revenue source as needed:

**Recording at the PCA or Appropriation level:**

**TC 128** – Record Due From Other Governments – Revenue

Dr. 1500 Due From Other Governments

Cr. 8000 Revenue/Operating Revenue

OR

**Recording at the Summary level:**

**TC 551** – Accrue Year-End Revenue Due From Other Governments

Dr. 1500 Due From Other Governments

Cr. Cr. 8000 Revenue/Operating Revenue

These entries are reversed in the new fiscal year.

**NOTE 1:** To have these entries automatically reversed during the Year-End Open (YEO) process, they must be coded according to the Automated Accrual Reversal Process requirements discussed in Chapter II, section *Use of Fiscal Month 13 for Year-End Adjustments*.

**NOTE 2:** Departments should record an accrual for each federal revenue source to match the expenditures for their programs.

Once the transactions have posted, request a new Report 7 and 9 (see Exhibits V-14 and V-15) and review the updated balances. Report 9 Fund Balance Total **must** be zero. Proceed with completing financial reports for the Federal Trust Fund.

## EXHIBIT V-12

CSTARG02 9990 (DEST: A1 CTL1) PY, ,0,0,0,1,  
PRIOR FISCAL YEAR: 2016 0(ORG )\*\*\*\*\* 1(FUND ) FUND(ALL )\*\*\*\*\*

\*\*\*\*\* RUN:07/31/17 TIME:17.45

DEPARTMENT OF AIR QUALITY  
PRE-CLOSING TRIAL BALANCE  
AS OF 06/30/17

(REPORT 7)

\*\*\*\*\* PAGE 1

FUND: : 0890 FEDERAL TRUST FUND

\*\*\*\*\*

GLAN	ACCOUNT TITLE	DEBITS	CREDITS	GLAN
1140	CASH IN STATE TREASURY	1,612,907.42	0.00	1140
1319	ACCOUNTS RECEIVABLE OTHER	554,196.00	0.00	1319
1380	CONTINGENT RECEIVABLES	302,331.00	0.00	1380
1400	DUE FROM OTHER FUNDS OR APPROPRIATIONS	18,586.49	0.00	1400
1500	DUE FROM OTHER GOVERNMENTS	72,471.57	0.00	1500
1600	PROVISION FOR DEFERRED RECEIVABLES	0.00	856,527.00	1600
3010	ACCOUNTS PAYABLE	0.00	20,401,366.31	3010
3020	CLAIMS FILED	0.00	1,665,550.69	3020
3110	DUE TO OTHER FUNDS OR APPROPRIATIONS	0.00	580,048.48	3110
3220	DUE TO LOCAL GOVERNMENT	0.00	557,000.00	3220
8000	REVENUE/OPERATING REVENUE	0.00	173,080,057.00	8000
8100	REIMBURSEMENTS	0.00	416,000.00	8100
9000	APPRO EXPEND/OPERATING EXPEND & EXPENSES	194,996,057.00	0.00	9000
*TOTAL FUND	0890	197,556,549.48	197,556,549.48	

GLAN 8000 and 8100 must equal GLAN 9000.

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT AND THAT I HAVE NOT VIOLATED ANY OF THE PROVISIONS OF ARTICLE 4, CHAPTER 1, DIVISION 4, TITLE 1, GOVERNMENT CODE (COMMENCING WITH SECTION 1090).

SUBSCRIBED AND EXECUTED THIS 31st DAY OF July, 2017 AT SACRAMENTO

REPORT AS OF JUNE 30 INCLUDES YEAR-END ACCRUALS PURSUANT  
TO STATE ADMINISTRATIVE MANUAL INSTRUCTIONS

U. R. Dunne  
SIGNATURE OF OFFICER

U. R. DUNNE  
ACCOUNTING ADMINISTRATOR

## EXHIBIT V-13

CSTARG04 9990 (DEST: A1 CTL1) PY, ,0,0,0,1,		***** RUN:07/31/17 TIME:17.45
PRIOR FISCAL YEAR: 2016	0(ORG )***** 2(BYFDT ) FUND(ALL )*****	
DEPARTMENT OF AIR QUALITY ANALYSIS OF CHANGE IN FUND BALANCE FOR THE FISCAL YEAR ENDED 06/30/17		REPORT 9
***** PAGE 56		
FUND : 0890	FEDERAL TRUST FUND	
*****		
FUND BALANCE,	JULY 1, 2016	0.00
ADDITIONS:		
8000	REVENUE/OPERATING REVENUE	173,080,057.00
8100	REIMBURSEMENTS	416,000.00
TOTAL ADDITIONS		173 496,057.00
DEDUCTIONS:		
9000	OPERATING EXPENDITURES	194,996,057.00
TOTAL DEDUCTIONS		194,996,057.00
FUND BALANCE,	JUNE 30, 2017	21,500,000.00DR

When expenditures exceed the revenue/reimbursements, the fund balance will show as a "DEBIT" amount.

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT AND THAT I HAVE NOT VIOLATED ANY OF THE PROVISIONS OF ARTICLE 4, CHAPTER 1, DIVISION 4, TITLE 1, GOVERNMENT CODE (COMMENCING WITH SECTION 1090).

SUBSCRIBED AND EXECUTED THIS 31st DAY OF July, 2017 AT SACRAMENTO, CALIFORNIA

U. R. Dunne  
SIGNATURE OF OFFICER

REPORT AS OF JUNE 30 INCLUDES YEAR-END ACCRUALS PURSUANT TO STATE ADMINISTRATIVE MANUAL INSTRUCTIONS

U. R. DUNNE  
ACCOUNTING ADMINISTRATOR



## EXHIBIT V-14

CSTARG02 9990 (DEST: A1 CTL1) PY, ,0,0,0,1,  
PRIOR FISCAL YEAR: 2016 0(ORG )

\*\*\*\*\* RUN:07/31/17 TIME:17.45

0 (ORG ) \*\*\*\*\* 1 (FUND ) FUND (ALL ) \*\*\*\*\*

DEPARTMENT OF AIR QUALITY  
PRE-CLOSING TRIAL BALANCE  
AS OF 06/30/17

(REPORT 7)

\*\*\*\*\* PAGE 1

FUND: : 0890 FEDERAL TRUST FUND

GLAN	ACCOUNT TITLE	DEBITS	CREDITS	GLAN
1140	CASH IN STATE TREASURY	1,612,907.42	0.00	1140
1319	ACCOUNTS RECEIVABLE OTHER	554,196.00	0.00	1319
1380	CONTINGENT RECEIVABLES	302,331.00	0.00	1380
1400	DUE FROM OTHER FUNDS OR APPROPRIATIONS	18,586.49	0.00	1400
1500	DUE FROM OTHER GOVERNMENTS	21,572,471.57	0.00	1500
1600	PROVISION FOR DEFERRED RECEIVABLES	0.00	856,527.00	1600
3010	ACCOUNTS PAYABLE	0.00	20,401,366.31	3010
3020	CLAIMS FILED	0.00	1,665,550.69	3020
3110	DUE TO OTHER FUNDS OR APPROPRIATIONS	0.00	580,048.48	3110
3220	DUE TO LOCAL GOVERNMENT	0.00	557,000.00	3220
8000	REVENUE/OPERATING REVENUE	0.00	194,580,057.00	8000
8100	REIMBURSEMENTS	0.00	416,000.00	8100
9000	APPRO EXPEND/OPERATING EXPEND & EXPENSES	194,996,057.00	0.00	9000
*TOTAL FUND	0890	219,056,549.48	219,056,549.48	

TC 128 or 551 accrual will debit 1500 and credit 8000. The result is that federal revenues equal expenditures.

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT AND THAT I HAVE NOT VIOLATED ANY OF THE PROVISIONS OF ARTICLE 4, CHAPTER 1, DIVISION 4, TITLE 1, GOVERNMENT CODE (COMMENCING WITH SECTION 1090).  
SUBSCRIBED AND EXECUTED THIS 31st DAY OF July, 2017 AT SACRAMENTO, CALIFORNIA

U. R. Dunne  
SIGNATURE OF OFFICER

U. R. DUNNE  
ACCOUNTING ADMINISTRATOR

REPORT AS OF JUNE 30 INCLUDES YEAR-END ACCRUALS PURSUANT  
TO STATE ADMINISTRATIVE MANUAL INSTRUCTIONS

## EXHIBIT V-15

\*\*\*\*\* RUN:07/31/17 TIME:17.45

REPORT 9

PAGE 56

\*\*\*\*\*

0.00

ADDITIONS:

194,580,057.00

416,000.00

194,996,057.00

DEDUCTIONS:

194,996,057.00

194,996,057.00

0.00

Expenditures and revenue/reimbursements are now equal. The fund balance will be zero.

SUBSCRIBED AND EXECUTED THIS 31st DAY OF July, 2017 AT SACRAMENTO, CALIFORNIA

REPORT AS OF JUNE 30 INCLUDES YEAR-END ACCRUALS PURSUANT  
TO STATE ADMINISTRATIVE MANUAL INSTRUCTIONS

U. R. Dunne  
SIGNATURE OF OFFICER

U. R. DUNNE  
ACCOUNTING ADMINISTRATOR

**PREPARING REPORTS FOR TRUST AND AGENCY FUNDS - OTHER**

Trust and agency funds-other are classified as fiduciary funds. Accounting and reporting requirements are found in SAM sections 18420-18424.6. The most common use of fiduciary funds is the Special Deposit Fund.

**Report Requirements for Special Deposit Funds**

Report No. 9 and Report No. 20 are required for each Special Deposit Fund account. CALSTARS departments must maintain accountability by establishing a D23 Fund Detail Descriptor Table entry for each account in the Special Deposit Fund (0942). However, only **one** overall Report No. 7 and Report No. 8 is submitted at fund level to the SCO.

The following reports are required for the Special Deposit Fund:

**Report No. 3-Adjustment to Controller's Accounts**

Report No. 3 is required if needed. Refer to the example in Exhibits V-3 and V-4. For more information, refer to section *Preparation of Reports, Report No. 3*, at the beginning of this chapter.

**Report No. 7-Pre Closing Trial Balance**

G02 Report. Refer to the example in Exhibit V-16.

GL 1140-Cash in State Treasury must always agree with the June 30 SCO Cash in State Treasury Account. If an error is detected in CALSTARS, it must be corrected. If there is an error(s) in the SCO account, GL 1140, it must be footnoted on the Pre-Closing Trial Balance. The footnote must identify and explain the difference between the SCO balance and CALSTARS. In addition, a Report No. 3 must be submitted.

GL 1210-Deposits in Surplus Money Investment Fund must always agree with the June 30 SCO Deposits in Surplus Money Investment Fund Account. If an error is detected in CALSTARS, it must be corrected. If there is an error(s) in the SCO account, GL 1210, it must be footnoted on the Pre-Closing Trial Balance. The footnote must identify and explain the difference between the SCO balance and CALSTARS. In addition, a Report No. 3 must be submitted.

**Report No. 8-Post Closing Trial Balance**

G02 Report. Refer to the example in Exhibit V-17.

**Report No. 9-Analysis of Change in Fund Balance**

G04 Report ordered at fund detail level (F=2). Refer to the example in Exhibit V-18.

**Report No. 18-Statement of Changes in Capital Assets (if applicable)**

G05 Report ordered at fund detail (F=2) level. Refer to the example in Exhibit V-10.

**Report No. 20-Statement of Financial Condition**

G04 Report ordered at fund detail level (F=2). Refer to the example in Exhibit V-19.

**Surplus Money Investment Fund (SMIF) Interest Adjustments for Special Deposit Fund**

Generally, Special Deposit Fund (0942) should not have any activity in any of the nominal accounts (i.e. 9000, 8000, 8100). If SMIF interest that was earned is deposited in a special deposit account that will be transferred into another fund, departments should record this as "Due From Other Funds" (GL 1400).

When the amount is transferred out, it would be a reduction to the receivable account (GL 1400) "Due From Other Funds". The SCO journal entry will require a transaction to be posted in both FM 13 and FM 01.

**Recording a Journal Entry for SMIF Interest in FM 13 (SCO JE received in July)**

TC 219 – Record Loan Made To Another Fund  
Dr. 1400 Due From Other Funds Or Appropriations  
Cr. 1140 Cash In State Treasury

TC 153 – Record SCO Receipt Of Deposit  
Dr. 1140 Cash In State Treasury  
Cr. 3500 Liabilities For Deposits

These entries are **not** reversed in the new fiscal year.

**Recording the SCO Journal Entry in FM 01**

TC 202 – Record Payment on Loan To Another Fund  
Dr. 1140 Cash In State Treasury  
Cr. 1400 Due From Other Funds Or Appropriations

Departments should use the SCO Fund Reconciliation Report to reconcile with CALSTARS. SCO balances in GL 1140 (Cash In State Treasury) and GL 1210 (Deposits In Surplus Money Investment Fund) should reconcile to CALSTARS balances in GL 1140 and 3500 (Liabilities For Deposits) in the G01 Report.

**Report Requirements for Other Trust and Agency Funds-Other**

Required year-end reports for the other funds within this grouping vary slightly from the reports for the Special Deposit Fund. Refer to SAM sections 18424.6-19305 for these reporting requirements.

**Non-Treasury Trust Funds**

The SCO defines Non-Treasury Trust (NTT) Funds as money or property in the custody of a state department that is not required to be remitted to the State Treasury. This includes monies deposited in accounts within the Centralized State Treasury System (i.e., department CTS bank accounts) which are not remitted to the State Treasury, as well as monies deposited in bank accounts outside the State Treasury (i.e., those listed on Report No. 14). In CALSTARS, these monies should be accounted in Fund 0990, Fiduciary Funds Outside Centralized Treasury System.

Refer to SAM sections 19400-19464 for the accounting and reporting requirements. The SCO requires the following year-end reports for NTT funds:

**Report No. 7-Pre Closing Trial Balance**

G02 Report.

**Report No. 8-Post Closing Trial Balance**

G02 Report.

**Report No. 9-Analysis of Change in Fund Balance**

G04 Report.

**Report No. 20-Statement of Financial Condition**

G04 Report.

CSTARG02 9990 (DEST: A1 CTL1) PY, ,0,0,0,1, /, /, /, /, /, / \*\*\*\*\* RUN:07/31/17 TIME:17.45  
PRIOR FISCAL YEAR: 2016 0(ORG )\*\*\*\*\* 1(FUND ) FUND(ALL )\*\*\*\*\*  
DEPARTMENT OF AIR QUALITY  
PRE-CLOSING TRIAL BALANCE (REPORT 7)  
AS OF 06/30/17

GLAN	ACCOUNT TITLE	DEBITS	CREDITS	GLAN
1140	CASH IN STATE TREASURY	2,026,950.29	0.00	1140
3020	CLAIMS FILED	0.00	3,768.10	3020
3500	LIABILITIES FOR DEPOSITS	0.00	2,023,182.19	3500
*TOTAL FUND	0942	2,026,950.29	2,026,950.29	

U. R. DUNNE  
ACCOUNTING ADMINISTRATOR

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CSTARG02 9990 (DEST: A1 CTL1) PY, ,0,0,0,1,          ,          ,          ,          ***** RUN:07/31/17 TIME:17.45
PRIOR FISCAL YEAR: 2016      0(ORG )***** 1(FUND ) FUND(ALL )*****
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DEPARTMENT OF AIR QUALITY

### POST-CLOSING TRIAL BALANCE

AS OF 06/30/17

(REPORT 8)

\*\*\*\*\* PAGE 11

FUND: : 0942 SPECIAL DEPOSIT FUND

\*\*\*\*\*

					SUBSIDIARY FILE
GLAN	ACCOUNT TITLE	DEBITS	CREDITS	GLAN	GLAN
-----	-----	-----	-----	----	----

1140	CASH IN STATE TREASURY	2,026,950.29	0.00	1140
3020	CLAIMS FILED	0.00	3,768.10	3020
3500	LIABILITIES FOR DEPOSITS	0.00	2,023,182.19	3500

*TOTAL FUND	0942	2,026,950.29	2,026,950.29
-------------	------	--------------	--------------

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT AND THAT I HAVE NOT VIOLATED ANY OF THE PROVISIONS OF ARTICLE 4, CHAPTER 1, DIVISION 4, TITLE 1, GOVERNMENT CODE (COMMENCING WITH SECTION 1090).

SUBSCRIBED AND EXECUTED THIS 31st DAY OF July , 2017 AT SACRAMENTO , CALIFORNIA

U. R. Dunne  
SIGNATURE OF OFFICER

REPORT AS OF JUNE 30 INCLUDES YEAR-END ACCRUALS PURSUANT  
TO STATE ADMINISTRATIVE MANUAL INSTRUCTIONS

U. R. DUNNE  
ACCOUNTING ADMINISTRATOR





EXHIBIT V-18 (Continued)  
REPORT NO. 9 ANALYSIS OF CHANGE IN FUND BALANCE  
SPECIAL DEPOSIT FUND

CSTARG04 9990 (DEST: A1 CTL1) PY, ,0,0,0,2, \*\*\*\*\* RUN:07/31/17 TIME:17.45  
PRIOR FISCAL YEAR: 2016 0(ORG )\*\*\*\*\* 2(BYFDT ) FUND(ALL )\*\*\*\*\*

DEPARTMENT OF AIR QUALITY (9990)  
ANALYSIS OF CHANGE IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED 06/30/17

REPORT 9

\*\*\*\*\* PAGE 57

FUND : 0942 SPECIAL DEPOSIT FUND  
FUND DETAIL: 01 SETTLEMENT FEES

\*\*\*\*\*

FOOTNOTE : RECEIPTS AND DISBURSEMENTS OF LIABILITIES FOR DEPOSITS ARE NOT SHOWN IN THE ABOVE REPORT SINCE THEY ARE ACCOUNTED IN GL  
ACCOUNT NUMBER 3500. HOWEVER, IF THIS ACTIVITY WAS ACCOUNTED AGAINST NOMINAL ACCOUNTS (REVENUE/EXPENDITURES), DISPLAY OF  
THIS ACTIVITY PER SECTION 7963 OF S.A.M. WOULD BE SHOWN AS BELOW:

BEGINNING BALANCE,	JULY 1, 2016		1,400,976.68
ADDITIONS:		DEDUCTIONS:	
RECEIPT OF DEPOSITS	120,414.00	DISBURSEMENTS	69,209.17
RECEIPT OF SECURITIES	0.00	RETURN OF DEPOSITS	0.00
DONATED LONG TERM INVEST	0.00	RETURN OF SECURITIES	0.00
OTHER ADDITIONS	0.00	OTHER DEDUCTIONS	0.00
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TOTAL ADDITIONS:	120,414.00	TOTAL DEDUCTIONS:	69,209.17
ENDING BALANCE,	JUNE 30, 2017		1,452,181.51

**Note:**

Not all Fund 0942 Fund Detail accounts are shown in this exhibit. As a result, the CSTARG04 does not agree with the CSTARG02 displayed in Exhibits V-20 and V-21.

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT AND THAT I HAVE NOT VIOLATED ANY OF THE PROVISIONS OF ARTICLE 4, CHAPTER 1, DIVISION 4, TITLE 1, GOVERNMENT CODE (COMMENCING WITH SECTION 1090).

SUBSCRIBED AND EXECUTED THIS 31st DAY OF July, 2017 AT SACRAMENTO

, CALIFORNIA

U. R. Dunne  
SIGNATURE OF OFFICER

REPORT AS OF JUNE 30 INCLUDES YEAR-END ACCRUALS PURSUANT  
TO STATE ADMINISTRATIVE MANUAL INSTRUCTIONS

U. R. DUNNE  
ACCOUNTING ADMINISTRATOR

[illegible]